

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LEVEE ROAD WATER)	
ASSOCIATION FOR RATE ADJUSTMENT)	CASE NO.
PURSUANT TO THE ALTERNATIVE RATE)	92-007
FILING PROCEDURE FOR SMALL UTILITIES)	

O R D E R

On January 2, 1992, Levee Road Water Association ("Levee Road") filed its application for Commission approval of a proposed increase in its rates for water service. The proposed rates for water service would generate additional annual revenues of \$27,183.

In addition, Levee Road proposed to establish rates for the following non-recurring charges: Returned Check Fee, Service Call, Turn-on Fee, and Turn-off Fee, and to add Association Dues to its current tariff.

In April 1992, Commission Staff conducted a field review of Levee Road's test-period financial records. Based upon this review, Commission Staff issued its report on June 29, 1992, recommending Levee Road be allowed to increase its rates for water sales by \$40,228 annually.

By Order dated June 29, 1992, Levee Road was advised to file comments on the Staff Report or request a hearing no later than July 14, 1992, or the case would stand submitted to the Commission for decision. On July 2, 1992, Levee Road informed the Commission

by letter that it did not desire a hearing or an informal conference and that it accepts the Staff Report.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for Levee Road and will produce gross annual revenues of approximately \$127,352. These rates will allow Levee Road sufficient revenues to meet its operating expenses, and provide for future equity growth, including provisions for servicing its debt.

3. Based upon cost studies filed by Levee Road, the proposed non-recurring charges in Appendix A are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Levee Road are hereby denied.

2. The rates in Appendix A are approved for service rendered by Levee Road on and after the date of this Order.

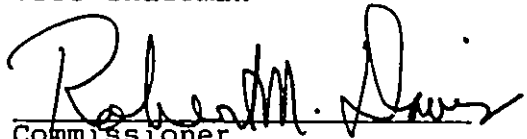
3. Within 30 days of the date of this Order, Levee Road shall file with the Commission its revised tariff in conformity with Appendix A setting out the rates approved herein.

Done at Frankfort, Kentucky, this 10th day of July, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-007 DATED July 10, 1992

The following rates and charges are prescribed for the customers in the area served by Levee Road Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Residential and Business Consumer</u>		<u>Rates</u>
First	1,000 gallons	\$10.25 Minimum Bill
Next	2,000 gallons	3.85 per 1,000 gallons
Next	3,000 gallons	3.15 per 1,000 gallons
Next	19,000 gallons	2.40 per 1,000 gallons
Next	25,000 gallons	2.05 per 1,000 gallons
Over	50,000 gallons	1.75 per 1,000 gallons
<u>Commercial Hauler</u>		
All Water Purchased		\$4.25 per 1,000 gallons
<u>Water-drop Coin Vendor</u>		
All Water Purchased		\$4.75 per 1,000 gallons
Returned Check Fee		\$10.00
Service Call		10.00
Turn on Fee		10.00
Turn off Fee		10.00
Non Refundable Association Dues		40.00